

**MINUTES**  
**LEGISLATIVE GOVERNMENT OVERSIGHT COMMITTEE**  
**December 8 & 9, 2004**

The Legislative Government Oversight Committee met December 8 & 9, 2004, in the Legislative Dining Room at the Capitol. Co-Chairperson, Representative Alons, called the meeting to order at 11:07 a.m. Other members present were:

Senator Mary Lundby, Chair  
Senator Tom Courtney, RM  
Senator Robert Dvorsky  
Senator Ron Wieck

Representative Vicki Lensing, VC  
Representative Clel Baudler  
Representative Willard Jenkins  
Representative Joanna Oldson  
Representative Roger Wendt

**APPROVAL OF MINUTES**

Motion to approve the minutes from November by Senator Courtney and seconded by Senator Wieck. Motioned carried.

**LEGISLATIVE COUNCIL REPORT**

Committee members reviewed a memorandum and attachments prepared by Legislative Services Agency staff regarding departments and programs reviewed during the 2004 legislative interim and selected for review during the 2005 legislative session. The report is required on an annual basis, and received Committee approval.

**DEPARTMENT OF ADMINISTRATIVE SERVICES UPDATE**

Mollie Anderson, Director, Department of Administrative Services (DAS), provided a status report regarding department operations and the role of DAS in advancing entrepreneurial management in state government. Ms. Anderson summarized various departmental functions characterized as general services, human resources, information technology, and state accounting enterprises; provided rationale for the department's formation; explained the entrepreneurial management model of creative accountable government; related the Governor's goals for DAS and accomplishments of the department to date; supplied cost savings data; and identified steps to taken by the department in the future.

**GLOBAL WARMING LITIGATION**

Tom Miller, Attorney General, State of Iowa, provided information relating to a multi-state lawsuit filed against non-Iowa utility companies emitting carbon dioxide and other gases which may be contributing to global warming. Attorney General Miller stated that Iowa joined the lawsuit in a non-leadership role based upon the rationale that global warming is a universal issue. The lawsuit alleges that the emissions constitute an interstate nuisance, and seeks to stabilize emissions with a gradual reduction over a period of ten years. Dr. Gene Tackle, Iowa State University, addressed scientific aspects of the global warming trend, concluding that global warming represents a significant threat warranting some form of intervention. Dr. Jay Lehr,

Science Director, The Heartland Institute, supplied a twelve-point memorandum reaching the opposite conclusion, contending that the Earth's temperature is not increasing significantly as a result of man's activity on the planet.

### **KAIZEN BUSINESS IMPROVEMENT PROCESS**

Teresa Hay McMahon, Iowa Department of Natural Resources (DNR), related the department's experience utilizing the Kaizen methodology. Ms. McMahon described the methodology as a highly focused, action-oriented two-to-five day event whereby an empowered team takes immediate action to improve a specific process. In DNR's case, the process initially identified for improvement concerned air construction permits, but the success of the methodology in improving the permitting process has resulted in its application to other departmental functions and is being shared with other State departments.

### **MANURE MANAGEMENT**

Barb Lynch, DNR, addressed the Committee regarding manure management practices within the department. Ms. Lynch distributed charts detailing departmental field activities for FY 02, 03, and 04, and noted, by way of trends, that complaints regarding spills appear stable, storm water complaints are increasing as public awareness has been heightened regarding the existence of regulations governing storm water, and that feedlot complaints remain numerous but have declined somewhat since the mid-1990's. Committee discussion included the extent to which municipal wastewater complaints impacting public health are received, the duration and utilization of the odor hotline, and the issue of variation in septic tank regulation by county.

### **AGRICULTURAL-RELATED BUSINESS AND INDUSTRY REQUIRED REPORTS**

Charlie Krogmeier, Secretary of State's Office, distributed a chart summarizing information required to be submitted by businesses and industries owning agricultural land in the state, and indicating the extent to which neighboring states require similar information. The information is required to be submitted on a biennial basis, and consists of whether agricultural land is owned, in which county is it owned, and how many acres are owned. Mr. Steve Moline, Attorney General's Office, stated that there are a number of exemptions from the general reporting requirement. Committee discussion included the observation that based upon the chart, Iowa appears relatively more rigorous regarding the information required. It was noted that it might be difficult to obtain statewide information from all county recorder's office in the absence of the reporting requirement.

### **BOARD OF REGENTS – DEMUTUALIZATION FUND**

Greg Nichols, Iowa Board of Regents, provided background information and discussed the current status of demutualization fund proceeds as they relate to Regents institutions. Mr. Nichols summarized the respective amounts received based upon employer versus employee contributions, the consensus agreement reached regarding amounts to be returned to the state treasurer or invested, and investment results indicating a modest positive return.

### **BOARD OF REGENTS – TUITION GROWTH**

Mr. Nichols also summarized the development of a tuition growth plan based upon the results of a study undertaken by the Board of various policy options for setting tuition at state universities.

Mr. Nichols indicated that the plan involved tuition rates increasing by a projected inflationary rate, with each institution also able to request supplementary amounts specific to that institution and required to provide matching funds based upon reprioritized dollars obtained through an internal reallocation of resources. It was noted that this should provide more predictability regarding tuition planning.

### **VETERANS TRUST FUND**

Wes Ehrecke, Iowa Gaming Association, summarized various allocations of gaming revenue for the benefit of the citizens of the state. He also explained reasons why gaming revenue via fees would be difficult to use to provide funding to the Trust Fund. Mr. Patrick Palmersheim, Iowa Commission of Veterans Affairs, discussed Veterans benefits in Iowa, and indicated that the state compares unfavorably with many other states regarding the level of benefits provided and the extent to which dedicated staff are provided. Mr. Palmersheim also provided an overview of the Veterans Cemetery project, indicating that current plans project the cemetery opening at some point in late 2006 or early 2007.

### **FOLLOW-UP INFORMATION**

The following agencies provided updated or additional information requested during previous Committee meetings:

- Iowa Lottery – Dr. Ed Stanek, Iowa Lottery, provided further detail about some lottery budget items, and also provided examples of information produced by the Lottery regarding the odds in its games, and the state's gambling treatment hotline. Mr. Stanek distributed a packet of material including ten spreadsheets providing financial and budgetary information.
- Gambler's Assistance Program – Ms. Janet Zwick, Iowa Department of Public Health, provided a handout responding to eleven requests for additional explanation or information regarding the program. Among the items addressed was the merits of establishing another HELP line for immediate assistance, amounts allocated for marketing, and plans to keep the Committee informed relating to the payment of claims and amendment of contacts issues.
- Mechanical Amusement Devices – Ms. Jean Davis, Iowa Department of Inspections and Appeals, accompanied by representatives from the Department of Public Safety, provided follow-up information relating to the average number of registered devices per county, registration system status, and enforcement activities. It was observed that relatively few complaints are being received, indicating a high rate of compliance.
- Iowa Ethics Board – Mr. Charlie Smithson, Ethics and Campaign Disclosure Board, discussed the status of an investigation relating to the possibility of lobbying activities by the Public Strategies Group, and distributed sample draft legislation relating to prohibiting conflict of interest employment in another state agency by executive branch personnel. LSA was requested to prepare a bill draft with this language for the Committee to consider during the 2005 legislative session.
- RTSS Billing Audits – Mr. Kim Schmett, Iowa Coalition for Family and Children Services of Iowa, reported that recent discussions which have transpired with the Iowa Department of Human Services regarding the issue of Rehabilitative Treatment and Supportive Services (RTSS) child welfare provider Medicaid billing audit procedures have yielded positive results. Both Mr. Schmett and Ms. Jan Clausen of the Iowa Department of Human Services

agreed that progress has been made, and Ms. Clausen expressed optimism regarding departmental coordination with the Centers for Medicare and Medicaid (CMS). Mr. Tim Hood, Superintendent of Schools in Creston, related difficulties the school district is experiencing regarding participation in a pilot program for Medicaid reimbursement. He indicated that the district has been told after completing program training that paperwork it has submitted lacks sufficient documentation. The need for rulemaking regarding this issue, and the role of the Iowa Department of Education and local education agencies relating to regulatory authority, was discussed.

- Charter Agencies – Mr. Jim Chrisinger, Department of Management, provided information regarding charter agency agreement differences for FY 2005 versus FY 2004, noting that there are more similarities than differences. Mr. Chrisinger provided specific examples of differences in performance targets and special targets for designated charter agencies, and indicated that the DNR is renewing its status as a charter agency, but the Charter Agreement has yet to be finalized. Mr. Joe Royce, Legislative Services Agency, discussed two types of waivers from administrative rulemaking available for charter agencies, and indicating that a general waiver which originally generated some controversy has not been utilized by charter agencies based upon required threshold demonstrations of no negative public impact or due process violation being generated by the waiver.

Rep Alons moved to adjourn the meeting at 2:30 p.m.